

What is claimed is:

1. A method for online trading of assets via transactionally linked virtual markets

comprising the steps of:

defining attributes and behaviors of each of the virtual markets;

placing individual buy or sell orders in each of the virtual markets;

optionally defining trading strategies that will each span at least two virtual

markets;

calculating a price and amount for each order to be generated by a trading

strategy;

generating orders for each of the virtual markets defined by each trading strategy

and routing those orders to their respective virtual markets; and

matching and executing both individual orders and orders generated by trading

strategies in such a way that atomic execution of trading strategies is guaranteed.

2. The method of claim 1 wherein the attributes and behaviors of the virtual markets

include asset types, payment dates, and payment factors.

3. The method of claim 1 wherein the attributes and behaviors of a virtual market

replicate those of a conventional market.

4. The method of claim 1 wherein the step of placing individual buy or sell orders

includes specifying a total size of the order, a minimum allowable size of a partial

execution of the order, a portion of the total size of the order that will be visible to others,

an indication of which virtual market the order is for, and the price of the order.

1 5. The method of claim 1 wherein the step of defining a trading strategy includes
2 specifying a type of trading strategy.

1 6. The method of claim 5 wherein the type of trading strategy includes arbitrage,
2 basket, and hedge.

1 7. The method of claim 1 wherein the step of defining a trading strategy includes
2 defining which virtual markets are in the trading strategy.

1 8. The method of claim 1 wherein the step of defining a trading strategy includes
2 defining formulae to calculate a price and amount for each virtual market within the
3 trading strategy based upon counterorders from other virtual markets.

1 9. The method of claim 8 wherein the step of calculating an amount for each order in
2 the defined trading strategy includes identifying a best counterorder for each initial buy
3 or sell order.

1 10. The method of claim 1 wherein the step of defining a trading strategy includes the
2 step of automatically generating new orders on behalf of the defined trading strategy.

1 11. The method of claim 1 wherein the step of matching and executing both
2 individual orders and orders generated by trading strategies in such a way that atomic
3 execution of trading strategies is guaranteed includes the step of automatically modifying
4 orders on behalf of the defined trading strategies in response to changes in the virtual
5 markets that make up the trading strategies

09679813-100500

1 ~~12.~~ A system for online trading of assets via transactional linked virtual markets
2 comprising:
3 a market creation mechanism to enable users to create a plurality of virtual
4 markets;
5 a plurality of active market servers to support the operation of each of the created
6 virtual markets;
7 an order creation mechanism to allow users to create buy or sell orders related to
8 the virtual markets;
9 a strategy creation mechanism to enable users to specify trading strategies for the
10 virtual markets;
11 a plurality of active strategy servers to generate new orders on behalf of the
12 specified trading strategies and to coordinate with the plurality of active market servers to
13 insure atomic execution of the trading strategies; and
14 a linking mechanism to enable orders and counterorders from different servers to
15 be linked.

1 13. The system of claim 12 further comprising:
2 an adapter that enables external systems to link into the system so that users in the
3 system may select from and share orders with external liquidity sources;
4 an order validation mechanism; and
5 a credit limit validation mechanism.

1 14. The system of claim 13 wherein the order validation mechanism allows a host site
2 to establish trading limits for the host site's accounts.

1 15. The system of claim 14 wherein the order validation mechanism validates each
2 created new order against the trading limits, and once validated, sends the new order to a
3 virtual market.

1 16. The system of claim 13 wherein the credit limit validation mechanism allows host
2 sites to establish mutual lines of credit for specified markets and use these lines of credit
3 to act as guarantors when matching orders that originate from different host sites.

1 17. The system of claim 13 further comprising a plurality of access control servers to
2 authenticate each user.

1 18. The system of claim 17 wherein the plurality of access control servers determine
2 an authorized level of system access granted to each user before allowing each user
3 access to the system.

09679813 100500

- 1 19. A system for online trading of assets via transactional linked virtual markets
2 comprising:
3 a plurality of client systems for entering orders by a client;
4 a plurality of order routers for determining which market from an existing
5 plurality of markets the order is in and transmitting the order to a market server;
6 a plurality of market servers for matching the order with existing counterorders
7 and monitoring the plurality of markets; and
8 a plurality of strategy servers for generating new orders, and routing the generated
9 orders to each market defined in a trading strategy and coordinating with the plurality of
10 market servers to insure atomic execution of all orders that make up the trading strategy.

00500T"ET862960